

**THE INSURANCE CODE OF 1956 (EXCERPT)**  
**Act 218 of 1956**

**500.3801 Chapter; definitions.**

Sec. 3801. As used in this chapter:

(a) "Applicant" means:

(i) For an individual medicare supplement policy, the person who seeks to contract for benefits.

(ii) For a group medicare supplement policy or certificate, the proposed certificate holder.

(b) "Bankruptcy" means when a medicare advantage organization that is not an insurer has filed, or has had filed against it, a petition for declaration of bankruptcy and has ceased doing business in this state.

(c) "Certificate" means any certificate delivered or issued for delivery in this state under a group medicare supplement policy.

(d) "Certificate form" means the form on which the certificate is delivered or issued for delivery by the insurer.

(e) "Continuous period of creditable coverage" means the period during which an individual was covered by creditable coverage, if during the period of the coverage the individual had no breaks in coverage greater than 63 days.

(f) "Creditable coverage" means coverage of an individual provided under any of the following:

(i) A group health plan.

(ii) Health insurance coverage.

(iii) Part A or part B of medicare.

(iv) Medicaid other than coverage consisting solely of benefits under section 1928 of medicaid, 42 USC 1396s.

(v) Chapter 55 of title 10 of the United States Code, 10 USC 1071 to 1110.

(vi) A medical care program of the Indian health service or of a tribal organization.

(vii) A state health benefits risk pool.

(viii) A health plan offered under chapter 89 of title 5 of the United States Code, 5 USC 8901 to 8914.

(ix) A public health plan as defined in federal regulation.

(x) Health care under section 5(e) of title I of the peace corps act, 22 USC 2504.

(g) "Direct response solicitation" means solicitation in which an insurer representative does not contact the applicant in person and explain the coverage available, such as, but not limited to, solicitation through direct mail or through advertisements in periodicals and other media.

(h) "Employee welfare benefit plan" means a plan, fund, or program of employee benefits as defined in section 3 of subtitle A of title I of the employee retirement income security act of 1974, 29 USC 1002.

(i) "Insolvency" means when an insurer licensed to transact the business of insurance in this state has had a final order of liquidation entered against it with a finding of insolvency by a court of competent jurisdiction in the insurer's state of domicile.

(j) "Insurer" includes any entity, including a health care corporation operating pursuant to the nonprofit health care corporation reform act, 1980 PA 350, MCL 550.1101 to 550.1704, delivering or issuing for delivery in this state medicare supplement policies.

(k) "Medicaid" means title XIX of the social security act, 42 USC 1396 to 1396v.

(l) "Medicare" means title XVIII of the social security act, 42 USC 1395 to 1395ggg.

(m) "Medicare advantage" means a plan of coverage for health benefits under medicare part C as defined in section 12-2859 of part C of medicare, 42 USC 1395w-28, and includes any of the following:

(i) Coordinated care plans that provide health care services, including, but not limited to, health maintenance organization plans with or without a point-of-service option, plans offered by provider-sponsored organizations, and preferred provider organization plans.

(ii) Medical savings account plans coupled with a contribution into a medicare advantage medical savings account.

(iii) Medicare advantage private fee-for-service plans.

(n) "Medicare supplement buyer's guide" means the document entitled, "guide to health insurance for people with medicare", developed by the national association of insurance commissioners and the United States department of health and human services or a substantially similar document as approved by the commissioner.

(o) "Medicare supplement policy" means an individual, nongroup, or group policy or certificate that is advertised, marketed, or designed primarily as a supplement to reimbursements under medicare for the hospital, medical, or surgical expenses of persons eligible for medicare and medicare select policies and certificates under section 3817. Medicare supplement policy does not include a policy, certificate, or contract

of 1 or more employers or labor organizations, or of the trustees of a fund established by 1 or more employers or labor organizations, or both, for employees or former employees, or both, or for members or former members, or both, of the labor organizations. Medicare supplement policy does not include medicare advantage plans established under medicare part C, outpatient prescription drug plans established under medicare part D, or any health care prepayment plan that provides benefits pursuant to an agreement under section 1833(a)(1)(A) of the social security act.

(p) "PACE" means a program of all-inclusive care for the elderly as described in the social security act.

(q) "Policy form" means the form on which the policy or certificate is delivered or issued for delivery by the insurer.

(r) "Secretary" means the secretary of the United States department of health and human services.

(s) "Social security act" means the social security act, 42 USC 301 to 1397jj.

**History:** Add. 1992, Act 84, Imd. Eff. June 2, 1992;—Am. 2002, Act 304, Imd. Eff. May 10, 2002;—Am. 2006, Act 462, Imd. Eff. Dec. 20, 2006.

**Popular name:** Act 218